

Procurement

MISSION STATEMENT

The mission of the Office of Procurement is to acquire all goods, services, and construction necessary to carry out the functions of County government in the most cost-effective and timely manner consistent with required specifications and established procurement policies.

BUDGET OVERVIEW

The total recommended FY08 Operating Budget for the Office of Procurement is \$3,077,500, an increase of \$147,730 or 5.0 percent from the FY07 Approved Budget of \$2,929,770. Personnel Costs comprise 93.1 percent of the budget for 34 full-time positions for 29.9 workyears. Operating Expenses account for the remaining 6.9 percent of the FY08 budget.

Not included in the above recommendation is a total of \$369,590 and 3.3 workyears that are charged to: Capital Improvements Program - CIP (\$277,610, 2.3 WYs); Fleet Management Services, Motor Pool Internal Service Fund (\$27,600, 0.3 WY); Bethesda Parking District (\$4,600); Silver Spring Parking District (\$4,600, 0.1 WY); Solid Waste Disposal (\$45,980, 0.5 WY); and Mass Transit (\$9,200, 0.1 WY). The funding and workyears for these items are included in the receiving departments' budgets.

HIGHLIGHTS

❖ Productivity Enhancements:

Provide service and commodity codes with a Spanish description in ADPICS, which will assist vendors whose primary language is Spanish.

Add e-mail field to vendor database in ADPICS, which will allow vendors to receive information, solicitations, amendments, notifications, postings, and updates electronically.

PROGRAM CONTACTS

Contact Marsha Watkins Thomas of the Office of Procurement at 240.777.9932 or Christopher M. Mullin of the Office of Management and Budget at 240.777.2772 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

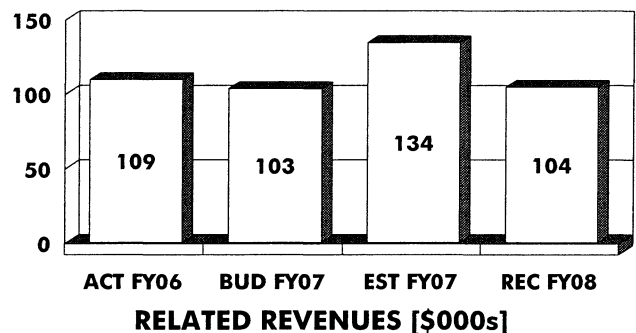
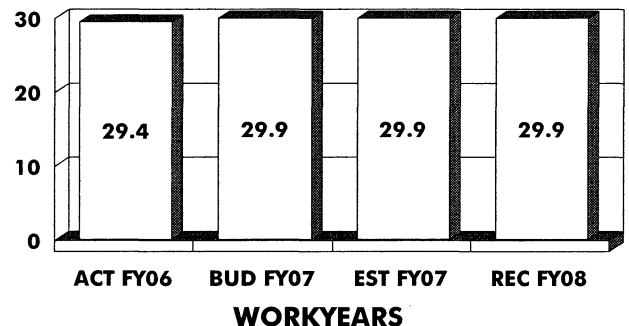
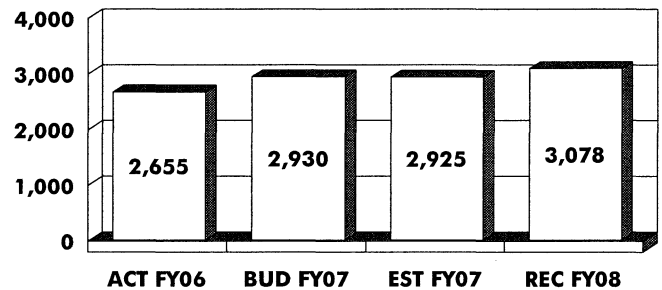
Procurement of Goods and Services

The purpose of this program is to purchase goods, services, and construction required by County departments in the most timely and cost-effective manner possible. Program staff assists departments in the development of specific procurements to maintain a competitive and fair procurement process and to

Program Summary

	Expenditures	WYs
Procurement of Goods and Services	2,208,340	22.9
Minority, Female, and Disabled Persons Procurement	170,110	2.0
Automation and Reports Management	143,270	2.0
Administration	555,780	3.0
Totals	3,077,500	29.9

Trends



ensure that procurement requests are processed according to the County Code and the Procurement Regulations. Program staff also help vendors understand the County's procurement process and procedures.

Assistance with contracts is provided to coordinate contract administration through guidance, assistance, and training of department contract administrators. Procurement Specialists develop contract administration procedures and research, review, and recommend revisions to County procurement policies and regulations to streamline the procurement process. In addition, testimony and other evidence regarding claims and contract disputes with contractors are reviewed to resolve issues.

FY08 Recommended Changes

	Expenditures	WYs
FY07 Approved	2,064,710	22.9
FY08 CE Recommended	2,208,340	22.9

Minority, Female, and Disabled Persons Procurement

The objective of the Minority, Female, and Disabled persons (MFD) program is to meet the County's annual goals of awarding a designated percentage of the total dollar value of negotiated contracts over \$50,000 to Maryland Department of Transportation certified minority, female, or disabled-owned businesses by procurement source. To meet the objective, the program identifies MFD firms; encourages and coordinates their participation in the procurement process through community outreach and internal seminars; and monitors contracts subject to MFD participation to ensure compliance by prime contractors.

FY08 Recommended Changes

	Expenditures	WYs
FY07 Approved	198,430	2.5
FY08 CE Recommended	170,110	2.0

Automation and Reports Management

The purpose of the Automation and Reports Management program is to manage and coordinate the design, development, integration, and training for the County's automated procurement system (ADPICS). ADPICS requires procurement personnel to create, update, and monitor vendor databases.

The automated management system also allows departments to initiate and to monitor purchases, contracts, grants, violations, emergencies, public information requests, and department surplus. The program also provides oversight, maintenance, and evaluation of the Internet, fax, and imaging systems.

The program includes ongoing development and management of RAPID (Re-engineered Automated Procurement Information Delivery). RAPID has significantly reduced mailing, printing, and human resource costs. Additional features of RAPID are its ability to advertise solicitations from other County agencies and other counties and links to COG, Maryland counties, and selected states. Subscribers are able to review procurement opportunities for all agencies that link with RAPID 7 days a week, 24 hours a day. Subscribers are also provided with

training and support on how to use RAPID. Additionally, this division maintains e-procurement activities such as on-line solicitation purchasing.

FY08 Recommended Changes

	Expenditures	WYs
FY07 Approved	132,510	1.5
FY08 CE Recommended	143,270	2.0

Administration

The Administration program provides for departmental direction, oversight, and support for the Contract Review Committee (CRC), budget preparation and monitoring, and cost and price analysis. The program coordinates cooperative procurements with the Metropolitan Washington Council of Governments (COG) and other government agencies; works closely with the Interagency Procurement Coordinating Committee (IPCC) and the local and national chapters of the National Institute of Governmental Purchasing (NIGP); and improves skill levels and buying practices by training and recertifying Procurement staff toward qualification as a Certified Public Purchasing Officer (CPPO) or a Certified Professional Public Buyer (CPPB). Administration activities include expenditure control, revenue collection, budget preparation, personnel activities, training, and development of recommendations and analyses regarding procurement matters for the CRC. The Director serves as one of three voting members of the CRC and is directly involved in all major procurements.

FY08 Recommended Changes

	Expenditures	WYs
FY07 Approved	534,120	3.0
FY08 CE Recommended	555,780	3.0

BUDGET SUMMARY

	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,901,817	2,054,280	2,053,380	2,184,620	6.3%
Employee Benefits	553,508	642,740	677,550	681,400	6.0%
County General Fund Personnel Costs	2,455,325	2,697,020	2,730,930	2,866,020	6.3%
Operating Expenses	199,250	232,750	193,910	211,480	-9.1%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	2,654,575	2,929,770	2,924,840	3,077,500	5.0%
PERSONNEL					
Full-Time	30	31	31	34	9.7%
Part-Time	1	0	0	0	—
Workyears	29.4	29.9	29.9	29.9	—
REVENUES					
Information Requests	927	500	1,540	1,200	140.0%
Photocopying Fees	123	300	100	100	-66.7%
Protest Fees: On-Line	0	1,000	500	500	-50.0%
Protest Fees	500	1,000	1,000	1,000	—
Solicitation Fee: Formal	12,385	22,850	42,480	18,000	-21.2%
Solicitation Fee: Formal On-Line	1,625	2,500	2,600	1,500	-40.0%
Solicitation Fee: Non-Construction	6,610	5,000	8,950	5,000	—
Solicitation Fee: Non-Construction On-Line	5,640	3,000	7,000	7,000	133.3%
Vendor Registration Fee	47,790	40,000	40,000	40,000	—
Vendor Registration Fee: On-Line	33,570	27,000	30,000	30,000	11.1%
County General Fund Revenues	109,170	103,150	134,170	104,300	1.1%

FY08 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY07 ORIGINAL APPROPRIATION	2,929,770	29.9
Other Adjustments (with no service impacts)		
Increase Cost: General Wage and Service Increment Adjustments	129,860	0.0
Increase Cost: Annualization of FY07 Personnel Costs [Administration]	37,320	0.0
Increase Cost: Retirement Rate Adjustment	10,890	0.0
Increase Cost: Annualization of FY07 Operating Expenses [Administration]	3,420	0.0
Increase Cost: Professional Purchasing Reference Library [Administration]	2,920	0.0
Increase Cost: Printing and Mail Adjustments	2,540	0.0
Increase Cost: Professional Career Development for Procurement Specialists [Administration]	2,200	0.0
Increase Cost: Employee Cash Awards [Administration]	1,500	0.0
Increase Cost: Labor Contracts - Other	380	0.0
Increase Cost: National Institute of Governmental Purchasing (NIGP) Commodity Codes/Spanish Language Edition [Administration]	190	0.0
Decrease Cost: Group Insurance Rate Adjustment	-10,950	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY07 [Minority, Female, and Disabled Persons Procurement]	-32,540	0.0
FY08 RECOMMENDED:	3,077,500	29.9

FUTURE FISCAL IMPACTS

Title	CE REC. FY08	FY09	FY10	(S000's) FY11	FY12	FY13
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY08 Recommended	3,078	3,078	3,078	3,078	3,078	3,078
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY08	0	-3	-3	-3	-3	-3
Items approved for one-time funding in FY08, including reference materials for a professional purchasing library, will be eliminated from the base in the outyears.						
Labor Contracts	0	155	311	323	323	323
These figures represent the annualization of service increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustments and service increments) for personnel are included for FY09 and beyond.						
Subtotal Expenditures	3,078	3,230	3,385	3,398	3,398	3,398

PROCUREMENT					
PROGRAM: Minority, Female, and Disabled Persons Procurement			PROGRAM ELEMENT: Compliance		
PROGRAM MISSION: To monitor contracts over \$50,000 that are subject to minority, female, disabled (MFD) participation to insure compliance by prime contractors, and to assist prime contractors in identifying approved MFD vendors					
COMMUNITY OUTCOMES SUPPORTED: • Encourage a diverse business climate • Share publicly-contracted dollars throughout the community					
PROGRAM MEASURES	FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 BUDGET	FY08 CE REC
Outcomes/Results:					
Percentage of total dollars awarded to MFD firms	20.9	22.7	19.1	25.0	21.5
Number of contracts without MFD waivers	1,887	2,109	2,156	2,400	2,076
Number of contracts with partial MFD waivers	40	32	46	34	50
Number of contracts with full MFD waivers	201	186	249	250	260
Percentage of contracts with full MFD waivers	9.5	8.0	10.2	12.0	10.4
Service Quality:					
Percentage of vendors satisfied with the solicitation information that they received from Procurement	75	80	85	95	95
Efficiency:					
Program cost per MFD vendor (\$)	58.18	86.80	84.45	99.21	87.69
Program cost per contract subject to MFD participation (\$)	45.11	65.91	65.02	73.93	67.77
Workload/Outputs:					
Number of contracts subject to MFD participation	2,128	2,327	2,451	2,684	2,510
Number of proposals submitted by MFD firms	64	31	32	50	78
Percentage of proposals submitted by MFD firms	29.0	17.5	13.7	60.0	20.6
Number of awards to MFD firms based on requests for proposals (RFPs)	19	12	11	17	20
Percentage of awards to MFD firms for RFPs	25.0	25.5	13.9	35.0	26.6
Number of MFD vendors in the database	1,650	1,767	1,887	2,000	1,940
Inputs:					
Expenditures (\$)	95,991	153,376	159,353	198,427	170,110
Workyears	1.0	2.0	2.0	2.0	2.0